

DOCUMENT RESUME

ED 110 688

CE 004 480

TITLE Employment In Perspective; Unemployment Among Household Heads.
INSTITUTION Bureau of Labor Statistics (DOL), Washington, D.C.
PUB DATE May 75
NOTE 16p.
EDRS PRICE MF-\$0.76 HC-\$1.58 Plus Postage
DESCRIPTORS Employment; Employment Level; *Employment Statistics; *Heads of Households; Labor Force; Labor Supply; Tables (Data); *Unemployment; Working Parents; Working Women

ABSTRACT

The jobless rate among all household heads reached 6 percent in April 1975, double the average rate over the 1963-74 period (2.8 percent), and half again as high as the previous peak (4 percent) recorded during the first half of 1963. The number of unemployed household heads increased from 1.4 to 3.2 million from October 1973 to April 1975, from 34 percent to 39 percent of the unemployed. About three-quarters of the household heads in the labor force are men heading families of two or more persons and one-tenth are female family heads. The unemployment rate for male family heads has increased two and one half times since October 1973 to 5.3 percent in April 1975, but was still much lower than the 9.3 percent rate for female family heads. The financial effects of unemployment on the family can be cushioned by the presence of other wage earners. According to the latest information available on this subject, in March 1974 about 30 percent of the families with an unemployed head had a full-time earner, usually the wife. However it is doubtful that the additional worker compensated for the loss of income incurred by the unemployment of the household head. (Author/JR)

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ED110688

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Report 443
May 1975

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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EMPLOYMENT IN PERSPECTIVE

Unemployment Among Household Heads

JUN 18 1975

Summary of Findings

The jobless rate among all household heads reached 6.0 percent in April 1975, double the average rate over the 1963-74 period (2.8 percent), and half again as high as the previous peak (4.0 percent) recorded during the first half of 1963.

Household heads accounted for 39 percent of the unemployed in April 1975, up from 34 percent in October 1973. The number of unemployed household heads increased from 1.4 to 3.2 million during the same period.

About three-quarters of the household heads in the labor force are men heading families of two or more persons and one-tenth are female family heads. The unemployment rate for male family heads has increased 2-1/2 times since October 1973 to 5.3 percent in April. It was still much lower than the 9.3-percent rate for female family heads, who are often raising children on their own and face high unemployment in good times as well as bad.

The financial effect of unemployment on the family can be cushioned by the presence of other earners. According to the latest information available on this subject, in March 1974 about 30 percent of the families with an unemployed head had a full-time earner, usually the wife. Because of the sharp increase in unemployment over the past year this situation may now be quite different.

Introduction

A more rapid and extensive increase in unemployment has been generated in the present recession than in any of the previous downturns since World War II. Household heads have been particularly hard hit, their unemployment rates having moved up relatively more than other workers'.

In most households, the head is the sole or primary earner; the unemployment of the head usually has a serious effect on the economic well-being of the entire household. Over the short run, the effect may be mitigated by the earnings of other household members or by unemployment insurance. However, unless the spell of unemployment is brief, or the household unit has considerable savings, the head's loss of a job almost inevitably lowers the household's standard of living.

Most household heads are adult workers having a strong attachment to and considerable experience in the labor force. Thus, even though their unemployment rate remained considerably lower than the overall rate, the sharp rise in the rate among household heads has contributed to a growing public concern over the unemployment problem.

The emphasis in this report on household heads is not intended to minimize the unemployment of other workers. In many families, wives and other members make a significant contribution to family income. Their inability to find jobs results in a loss of production and of potential income and consumption. Consequently, the individuals involved may suffer a substantial amount of financial and psychological hardship. Young people may be especially affected when they can no longer postpone their entry into the labor market and there is little demand for their services.

This report was prepared in the Bureau of Labor Statistics, Office of Current Employment Analysis, by Robert L. Stein and Deborah Pisetznier Klein.

Concepts and data

The unemployment and labor force data used in this report were collected through the Current Population Survey (CPS). As defined in the CPS, a household is comprised of all of the persons who occupy a house, an apartment, or other separate living quarters. A family is defined as any group of two or more persons living in the same household who are related to each other by blood, marriage, or adoption. For a detailed explanation of household and family definitions, see Current Population Reports Series P-20, No. 276, "Household and Marital Characteristics: March 1974," pages 6 and 7.

Households vary in size and composition. In March 1974, two-thirds of all households were comprised of husband-wife families (over half of these included children under 18); one-fifth consisted of one person living alone or of two or more persons not related to each other; one-tenth were families headed by women.

One person in each household is designated as the head. In households comprised of husband-wife families, the husband is designated as the head. This definition, which has been used in CPS for more than 3 decades, was designed to reflect the fact that husbands have traditionally been the principal income recipients in most families. However, in a continually growing proportion of families, both husband and wife are in the labor force, and both contribute to the financial support of the family. Data for the early 1970's showed that over half the wives worked at some time during the year; their earnings accounted for about one-fourth (on the average) of the total incomes of their families. In about one of eight families where both husband and wife had any earnings during the year, the wife was the primary earner. On a current monthly basis, however, the detailed information needed to identify primary earners is not readily obtainable.

Another arbitrary designation of household head occurs when two or more unrelated persons share a household. Although they may be equal partners, each responsible for his or her own support while sharing common expenses (such as rent and utilities), one person would be classified as the "household head"--generally the person so designated by the household members themselves.

Data on the employment status of household heads and members have been tabulated since 1962. The seasonally adjusted level and rate of unemployment among household heads are published in the monthly press release on the employment situation. Additional information is presented in the BLS monthly periodical Employment and Earnings (see tables A-8 and A-16). The present Employment in Perspective report uses newly developed seasonally adjusted series on unemployment levels and rates for household heads, by sex, and by whether or not living with relatives. Information on the presence of other earners in families where the head is unemployed (and on the employment status of the head in families with other members unemployed) is obtained once a year in the March supplement to the CPS. The March supplement also provides a longer historical series on unemployment levels and rates for family heads, by sex. (See table 2.) The March data are published in the Special Labor Force Report, "Marital and Family Characteristics of Workers."

Trends in Unemployment

Recent developments. The uptrend in total unemployment began slowly after October 1973, and accelerated rapidly after August 1974. In April 1975, the rate reached 8.9 percent, ^{1/} highest level since 1941. The unemployment rate for household heads increased from 2.7 to 6.0 percent between October 1973 and April 1975.

Although unemployment increased among virtually all groups in the labor force, the rise was most pronounced among male heads of families. ^{2/} (See table 1.) Most of these heads are adult workers with major financial responsibilities. In April 1975, their jobless rate (5.3 percent) was still lower than that of other groups, but about 2-1/2 times the October 1973 level.

^{1/} Monthly data cited in this report are seasonally adjusted unless otherwise noted.

^{2/} Wherever seasonally adjusted monthly data are used in this report, "family heads" are household heads living with relatives.

Table 1. Unemployment levels and rates for household heads, and other household members, by sex: October 1973 and April 1975

(Data are seasonally adjusted; numbers in thousands)

Household relationship, and sex	Number of unemployed		Percent change in number	Unemployment rate	
	Oct. 1973	April 1975		Oct. 1973	April 1975
Total.....	4,116	8,176	99	4.6	8.9
Household heads.....	1,420	3,194	125	2.7	6.0
Other workers.....	2,696	4,982	85	7.1	12.7
Male					
Household heads.....	1,028	2,599	153	2.3	5.8
With relatives.....	838	2,172	159	2.1	5.3
Without relatives.....	190	427	125	4.9	9.7
Other workers.....	1,131	2,001	77	10.9	18.8
Female					
Household heads.....	391	595	52	5.2	7.3
With relatives.....	251	359	43	7.1	9.3
Without relatives.....	140	236	69	3.6	5.5
Wives.....	860	1,880	119	4.2	8.8
Other workers.....	706	1,101	56	10.1	14.9

Increases in unemployment rates in the past 18 months have been somewhat sharper among men than among women, and much greater among adults than teenagers. These are typical patterns during periods of economic recession. Unemployment among teenagers started its climb from a comparatively high level (14 percent), and exceeded 20 percent in April 1975, four times the rate for male family heads.

Among women, the rate of unemployment rose more sharply for wives than for those who head households. (Wives also outnumbered heads among jobless women by about three to one.) The major part of the increased unemployment among married women has resulted directly from the loss of their own jobs. Job losers--workers displaced from their jobs as distinguished from job leavers and labor market entrants--accounted for two-thirds of the increase in wives' unemployment from a year earlier.

Underlying the adverse job trends for male household heads has been the downturn in construction activity, in automobile production and related supplier industries, and throughout the goods-producing sector of the economy. In such industries as contract construction, primary metals, and transportation equipment more than 85 percent of the workers are men. Women on the other hand, are more likely to work in service-producing industries--at least half of the workers in banking, insurance, hotels, and retail general merchandise are women. By April 1975, the unemployment rate in construction had reached 19 percent, and in manufacturing as a whole had moved up to 12 percent. In the automobile industry, nearly one-fifth of the work force was unemployed. Jobless rates also were up from 1973 levels in the service-producing industries, but not to the same extent.

Historical comparisons. 3/ The 6.0 percent rate for household heads in April 1975 was the highest since monthly data became available in 1963. 4/ Prior to the current recession, the highest unemployment rate for household heads was 4.0 percent, recorded during the first half of 1963. Their average unemployment rate over the entire 12-year period from 1963 through 1974 was 2.8 percent.

3/ For a comprehensive review of the period 1962-71, see Paul O. Flaim and Christopher G. Gellner, "An Analysis of Unemployment by Household Relationship," Monthly Labor Review, August 1972, pp. 9-16.

4/ For the period 1947-62, data on the employment status of family heads were compiled only once a year in the March supplement (April prior to 1958) to the Current Population Survey. In 1962, in response to numerous requests from users, a monthly tabulation was introduced on the employment status of household heads. Seasonally adjusted unemployment rates for household heads are available by month from January 1963 to date.

Unemployment levels and rates for family heads, by sex, are available for the month of March or April (not seasonally adjusted) from 1947 through 1975. Table 2 presents these data for the 20-year period 1955-75. This series shows that the jobless rate for all family heads was about the same in March 1975 as in March 1958. The data also indicate divergent trends for men and women. ^{5/} The March 1975 unemployment rate for male family heads was about the same as in 1958, but the rate for female family heads (10 percent) was by far the highest on record. Women were 13 percent of all unemployed family heads in March 1975, about twice their proportion in 1958.

^{5/} Changes in the definitions and questions used to measure jobseeking, introduced in January 1967, had the effect of slightly reducing the unemployment rate of adult men and increasing that of adult women. However, the historical trends described in this report would not be materially altered even after allowing for changes in definitions. For a detailed discussion of these changes and their effect on the various series, see "New Definitions for Employment and Unemployment," in the February 1967 issue of Employment and Earnings.

Table 2. Unemployment levels, and rates for family heads, by sex: April 1955 and March 1958-75

(Data not seasonally adjusted; numbers in thousands)

Month and year	Number of unemployed family heads			Unemployment rate for family heads		
	Total	Male	Female	Total	Male	Female
April: 1955.....	1,332	1,242	90	3.6	3.5	3.8
March: 1958.....	2,341	2,189	152	6.4	6.4	7.0
1959.....	1,702	1,558	144	4.6	4.6	6.6
1960.....	1,658	1,514	136	4.5	4.5	6.1
1961.....	2,283	2,112	171	6.0	6.0	7.2
1962.....	1,724	1,577	147	4.5	4.5	6.2
1963.....	1,714	1,547	167	4.4	4.4	6.8
1964.....	1,427	1,276	151	3.7	3.6	6.2
1965.....	1,211	1,080	131	3.1	3.1	5.1
1966.....	1,006	878	128	2.6	2.4	5.0
1967.....	904	783	121	2.3	2.2	4.5
1968.....	894	758	136	2.2	2.1	5.0
1969.....	757	644	113	1.8	1.7	4.0
1970.....	1,169	1,004	165	2.8	2.7	5.6
1971.....	1,619	1,390	229	3.9	3.9	7.1
1972.....	1,559	1,333	226	3.7	3.4	6.9
1973.....	1,326	1,090	236	3.1	3.0	6.7
1974.....	1,345	1,109	236	3.1	2.8	6.4
1975 ^{1/}	2,877	2,493	384	6.5	6.2	9.9

^{1/} Excludes small number in "secondary families," i.e., families that do not include the household head or any relatives of the head. Members of secondary families may include persons such as lodgers or resident employees and their relatives living in a household.

Composition of Unemployment

Household heads accounted for 39 percent of all jobless persons in April 1975--3.2 million of the 8.2 million total. One-fifth of the unemployed household heads were women.

Among men, 85 percent of unemployed household heads were also family heads (15 percent either lived alone or with non-relatives). The unemployment rate for male family heads in April 1975 (5.3 percent) was much lower than that for other male household heads (9.7 percent).

The situation among women was quite different. About 60 percent of unemployed women heads of households were family heads, while 40 percent were living alone or with non-relatives. Women family heads were still a comparatively small (although growing) proportion of the labor force and the unemployed in April 1975 but their rate of unemployment (9.3 percent) was nearly twice that of male family heads and that of other female household heads.

Household heads have increased as a proportion of the jobless total during the recession--from 34 percent in October 1973 to 39 percent in April 1975. During this same period, male family heads have moved up from 20 percent to 27 percent of the unemployed. This cyclical increase has at least temporarily reversed a longer-term secular decline in the proportion of the unemployed accounted for by male family heads.

Information on the changes in the composition of the unemployed for the period 1963-74 ^{6/} is shown in table 3. These data, which illustrate the secular trend, show that the decline in the proportion of unemployed workers who were male heads of families (from 30 percent in 1963 to 21 percent in 1974) was accompanied by increases among all other groups. The largest increase occurred among relatives of the head--wives and sons and daughters in their teens and early twenties. ^{7/} These changes reflected, in large part, underlying demographic trends in the composition of the civilian labor force.

^{6/} Although unemployment was moving up in 1974, the annual average level (5.6 percent) was virtually the same as 1963 which was the first year for which annual averages were available at this level of detail.

^{7/} Unmarried youngsters temporarily away at school are enumerated as part of their parents' household.

Table 3. Composition of the unemployed and the civilian labor force, and unemployment rates, by household relationship: Annual average 1963 and 1974

Household relationship, sex, and age	Unemployed		Civilian labor force		Unemployment rates	
	1963	1974	1963	1974	1963	1974
Total (thousands)....	4,070	5,076	71,833	91,011	-	-
Percent.....	100.0	100.0	100.0	100.0	5.7	5.6
Household heads.....	40.5	34.1	61.9	57.8	3.7	3.3
Male.....	33.4	28.6	54.4	49.1	3.5	2.9
Female.....	7.1	8.5	7.5	8.6	5.3	5.5
Household heads with relatives.....	34.1	26.1	55.1	48.6	3.5	3.0
Male.....	29.8	21.0	51.4	44.5	3.3	2.6
Female.....	4.3	5.1	3.7	4.1	6.5	7.0
Household heads without relatives.....	6.4	8.0	6.8	9.1	5.3	4.9
Male.....	3.6	4.6	3.0	4.6	6.7	5.6
Female.....	2.8	3.4	3.8	4.5	4.2	4.2
Nonrelative of head.....	2.6	3.2	2.2	2.2	6.7	8.2
Male.....	1.8	1.8	1.1	1.2	8.7	8.8
Female.....	.8	1.4	1.0	1.0	4.4	7.6
Wives.....	17.7	20.8	18.6	22.2	5.4	5.2
Other relatives of head.....	39.2	41.8	17.3	17.8	12.8	13.1
16-19 years.....	19.9	24.5	6.6	8.4	17.1	16.2
20-24 years.....	10.2	11.9	4.7	5.4	12.2	12.2
25 and over.....	9.1	5.4	6.0	4.0	8.6	7.6

Labor force growth in the past decade has resulted mainly from the increasing participation of women and the changing age structure of the population which brought about a large influx of new young workers. Because of these developments, there were substantial increases in the proportion of the labor force comprised of wives and children of family heads. Smaller increases were registered by female family heads and by household heads not living with relatives. Male family heads declined as a proportion of the labor force over the 10-year period.

Women have been increasing their proportion of the labor force ever since the end of World War II. From 1947 to 1974, women moved up from 28 to 39 percent of all workers. Their participation rate--the percentage of the female population 16 years of age and over that was in the labor force--rose from 31.8 to 45.7. For women in all age brackets between 18 and 54, labor force participation rates in 1974 were well over 50 percent and at their highest levels on record. Data from the work experience survey show that 42 percent of the women who worked at all in 1973 did so on a year-round basis (50 weeks or more) at full-time jobs, and that this proportion had risen from 37 percent a decade ago. Married women who worked year-round full time in 1973 earned 38 percent (on the average) of the total incomes of their families.

The overall labor force rate for men on the other hand, has been trending downward for over two decades. In 1974 it was at a post-World War II low of 79.4 percent. Large and persistent declines have been registered for men 65 years and over because of the substantial increases in Social Security benefits, among other reasons. More gradual, but definite declines also were apparent in the participation rates for men 55 to 64 years of age, and a small but continuing downward trend in rates has been in progress even for those in the prime working age of 20 to 54 since about 1960.

Presence of Other Earners

The latest information on the presence of other earners in families where the head is unemployed (and on the employment status of the head in families with unemployed relatives) is from the March 1974 supplement to the Current Population Survey. 8/ Because of the sharp increases in unemployment over

8/ Because of the complexity of the March supplement data on family characteristics and sources of income, special coding and editing procedures are required. As a result, the processing of the data from the supplement takes considerably longer than the production of the regular monthly labor force statistics. In 1974, the summary report on labor force patterns among families was published in August.

the past year, the patterns described in this report may have been materially different in March 1975.

In March 1974, there were 4.7 million unemployed, including 4.1 million in families (1.3 million heads, and 2.8 million relatives). The discussion that follows refers to the 4.1 million in families. The other 600,000 were persons who lived alone or with nonrelatives, and presumably had the sole responsibility for their own financial support. It is not known to what extent these so-called "unrelated individuals" might have received assistance during their periods of unemployment from relatives outside their own households, or from unrelated persons within their household.

In March 1974, 400,000 (31 percent) of the 1.3 million unemployed family heads were in families with a full-time earner. In most of these 400,000 families, the full-time earner was the wife of the head. In addition, there were 150,000 unemployed heads of families with a part-time worker. The majority of families with unemployed heads--about 800,000--had no employed person in the family.

Table 4. Unemployed family heads by presence of other earners in family: March 1974

(Numbers in thousands)		
Characteristics of earners in families with unemployed head	All families	Husband-wife families
Total unemployed heads.....	1,345	1,061
Full-time worker present.....	416	381
Percent of total.....	30.9	35.9
Part-time worker present.....	152	130
No employed person in family.....	77	550
Wife of head is:		
Full-time worker.....	xx	315
Part-time worker.....	xx	108
Not employed.....	xx	638
Weekly earnings of the full-time worker		
Total (percent).....	100.0	100.0
Less than \$60.....	12.9	11.7
\$60 to \$79.....	16.0	15.9
\$80 to \$99.....	18.1	18.7
\$100 to \$124.....	15.8	16.7
\$125 to \$149.....	11.9	12.5
\$150 to \$199.....	17.6	17.8
\$200 and over.....	7.5	6.7
Median weekly earnings....	\$105	\$106

NOTE: March 1975 data not yet available.

In the 1.1 million husband-wife families with an unemployed head, 36 percent had at least one full-time earner other than the head. By sharp contrast, in the one-fourth million families with an unemployed female head, only 10 percent had a full-time earner.

The situation for the 2.8 million unemployed relatives in March 1974, however, was quite different. About three-fourths of this group (2.2 million) were in families with a full-time worker present, including 1.7 million in families where the jobseeker's husband or father was present and working full time.

The situation with respect to earnings also differed sharply between heads and relatives. In those 400,000 families in March 1974 where the head was unemployed and there was a full-time employed relative (wife, child, or other), the median weekly earnings of that relative were estimated at \$105 (based on reported earnings for those who worked in 1973). In contrast, in the 2.2 million families where the relative was unemployed and someone in the family (usually the head) had a full-time job, the full-time worker's average weekly earnings were estimated at \$195.

Table 5. Unemployed relatives of head by employment status of family head: March 1974

(Numbers in thousands)

Characteristics of earners in families with unemployed relatives of head	All relatives	Husband-wife families	
		All relatives	Wives
Total unemployed relatives.....	2,823	2,199	942
Full-time worker present ^{1/}	2,182	1,866	774
Percent of total.....	77.3	84.9	82.2
Part-time worker present.....	170	99	52
Not employed person in family.....	470	233	115
Family head is:			
Full-time worker ^{1/}	1,997	1,741	760
Part-time worker.....	128	72	47
Not employed.....	698	386	135
Weekly earnings of the full- time worker ^{1/}			
Total (percent).....	100.0	100.0	100.0
Less than \$60.....	5.3	3.7	2.4
\$60 to \$79.....	4.4	3.2	2.5
\$80 to \$99.....	7.2	5.5	4.7
\$100 to \$124.....	7.9	6.3	9.3
\$125 to \$149.....	7.7	7.0	10.6
\$150 to \$199.....	19.6	20.3	23.3
\$200 to \$249.....	16.5	18.1	18.4
\$250 to \$299.....	13.2	15.1	13.7
\$300 and over.....	18.3	20.8	14.8
Median weekly earnings.....	\$195	\$211	\$192

^{1/} Includes members of the Armed Forces living off post or with their families on post.

NOTE: March 1975 data not yet available.

In summary, the situation for the 2.8 million unemployed relatives was quite diverse. It cannot be assumed that all were being well taken care of by a full-time employed family head with good earnings, but neither can it be assumed that all were in dire financial straits. The tabulation below summarizes the picture for unemployed relatives in March 1974.

	Numbers in thousands	Percent distribution
Total unemployed relatives.....	2,823	100.0
No employed person in family..	470	16.6
Employed person is a part- time worker.....	170	6.0
Employed person is a full- time worker with earnings under \$150 a week.....	705	25.0
Employed person is a full- time worker with earnings \$150 to \$299 a week.....	1,076	38.1
Employed person is a full- time worker with earnings over \$300 a week.....	399	14.1

As of March 1974, unemployed heads of husband-wife families were more likely than in the past to have an employed person in the family. In March 1958, 39 percent of unemployed husbands had a wife or other relative in the family who was employed; by March 1974, that proportion had risen to 49 percent. Among unemployed wives, the proportion with employed husbands was 86 percent in March 1974. Except for 1958 and 1961, when unemployment of married men was comparatively high, this proportion has ranged between 80 and 90 percent over the past 2 decades, and has shown no consistent trend. (See table 6.)

Between March 1974 and March 1975, unemployment rose sharply among both married men and married women. As a result, the proportion of unemployed husbands and wives with employed spouses probably declined, but it is impossible to determine the extent from the available data.

Family heads who lose their jobs usually experience a significant loss of income even if covered by unemployment insurance and even if there is an additional worker present. (Auto workers have been an exception because Supplementary Union Benefits and Unemployment Insurance together sustained their

Table 6. Unemployed male family heads 1/ and wives, by presence of employed relatives: April 1955 and March 1958-74

(Numbers in thousand; not seasonally adjusted)

Month and year	Unemployed male family heads <u>1/</u>		Unemployed wives of heads	
	Number	Percent with employed relative	Number	Percent with employed husband
April: 1955.....	1,171	42.4	469	NA
March: 1958.....	2,114	39.3	839	75.4
1959.....	1,477	40.8	635	87.4
1960.....	1,462	41.7	650	85.2
1961.....	2,025	41.5	892	77.1
1962.....	1,528	42.6	728	83.0
1963.....	1,484	45.7	739	83.9
1964.....	1,234	44.4	805	81.7
1965.....	1,033	47.5	733	85.5
1966.....	847	42.9	535	88.0
1967.....	755	48.2	701	87.0
1968.....	723	43.9	622	85.4
1969.....	621	45.4	631	91.7
1970.....	972	50.8	849	89.6
1971.....	1,350	49.1	1,047	84.9
1972.....	1,261	47.7	1,007	82.8
1973.....	1,051	48.7	887	86.0
1974.....	1,061	48.5	942	86.0

1/ Data relate to "husband-wife" families.

NOTE: March 1975 data from the supplement not yet available.

incomes at 95 percent of prior earnings; however, the SUB funds have already been depleted or are near depletion because of the exceptionally high levels of unemployment in the automobile industry.) Assume, for example, that a male household head earned \$214 per week and that his wife earned \$134 (these were the median usual weekly earnings of full-time workers in May 1974). Assume further that he loses his job, and receives \$89 per week in unemployment compensation (the average weekly payment in 1974 was 41.4 percent of average earnings). The couple's total weekly income would then be \$223 rather than \$348, a reduction of 36 percent. Of course, the reduction in spendable income would be less, since unemployment insurance benefits are not subject to income taxes or Social Security taxes.

In some families, the worker's wife was not previously in the labor force but obtained a full-time job because of her husband's unemployment. In such cases it would be more likely that the couple could fully replace the lost earnings of the husband, at least until unemployment insurance benefits were exhausted.